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JOINT ECONOMIC COMMITTEE ON U.S. ECONOMY

ANNCR:

THE JOINT ECONOMIC COMMITTEE OF THE U.S. CONGRESS SAYS THE WORLD ECONOMY WOULD BENEFIT FROM MORE COORDINATION BETWEEN NATIONS IN TRADE AND FISCAL POLICIES. VOA BUSINESS AND ECONOMICS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

THE COMMITTEE -- WITH MEMBERS FROM BOTH HOUSES OF CONGRESS -- SAYS A MORE ORDERLY INTERNATIONAL ECONOMY WOULD BE ENCOURAGED THROUGH DEVISING -- AND ADHERING TO -- MORE EFFECTIVE ECONOMIC RULES OF CONDUCT.

THE BI-PARTISAN COMMITTEE, AMONG OTHER RECOMMENDATIONS, ADVOCATES A BETTER BALANCE IN ECONOMIC GROWTH RATES AMONG MAJOR INDUSTRIAL COUNTRIES IN ORDER TO AVOID POSSIBLE BREAKDOWNS IN THE WORLD'S TRADE AND PAYMENTS SYSTEMS. SPECIFICALLY, THE COMMITTEE'S NEW ECONOMIC REVIEW (OCT. 13) SAYS COUNTRIES WITH LARGE BALANCE-OF-PAYMENTS SURPLUSES, INCLUDING JAPAN AND WEST GERMANY, SHOULD STIMULATE THEIR DOMESTIC ECONOMIES. THE COMMITTEE'S ECONOMISTS REASON THAT IF INTERNAL EXPANSION WERE MORE RAPID IN THE SURPLUS ACCOUNT COUNTRIES, TRADE DEFICITS IN OTHER COUNTRIES WOULD BE REDUCED, AND WEAKER CURRENCIES WOULD BE STRENGTHENED.

THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE HOLDS HEARINGS REGULARLY AND GATHERS OTHER DATA IN ORDER TO PRESENT CONGRESS AND THE EXECUTIVE BRANCH WITH ANALYSES OF PERTINENT ECONOMIC PROBLEMS. THE LATEST REPORT FOCUSES ON TRADE AND CURRENCY STABILITY.

THE COMMITTEE SAYS THE CURRENT DEFICIT IN THE U.S. BALANCE OF PAYMENTS IS A MAJOR SOURCE OF THE DOLLAR'S DECLINE IN FOREIGN EXCHANGE MARKETS. AND IT POINTS OUT THAT DOMESTIC EMPLOYMENT CONSIDERATIONS HAVE PROMPTED SOME COUNTRIES TO ADOPT RESTRICTIVE COMMERCIAL POLICIES IN ORDER TO INSULATE THEIR OWN INDUSTRIES AGAINST COMPETITION. BUT, THE REPORT SAYS, THERE CANNOT BE INTERNATIONAL ECONOMIC WELL-BEING IF COUNTRIES TRY TO "STEAL EMPLOYMENT FROM EACH OTHER."

THE JOINT ECONOMIC COMMITTEE SAYS THE UNITED STATES SHOULD ADOPT SOME REMEDIAL DOMESTIC STEPS TO STRENGTHEN THE DOLLAR. THESE INCLUDE SLOWING DOWN THE GROWTH OF THE NATIONAL MONEY SUPPLY, AND REDUCING THE FEDERAL DEFICIT. IN THE REPORT'S WORDS: TOTAL U.S. SPENDING -- BOTH PUBLIC AND PRIVATE -- MUST BE BROUGHT INTO LINE WITH TOTAL U.S. PRODUCTION AND INCOME. THIS, THE REPORT ADDS, CAN DO MUCH TO RESTORE THE REAL VALUE OF THE DOLLAR.

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